

**ECONOMIC GROWTH OFFICERS TRAINING**

**December 8 to 13, 2002**

**Charlottesville, Virginia**

**COURSE AGENDA**

**DAY 1: Sunday, December 8**

12:30-12:45    OPENING AND INTRODUCTIONS  
James Monroe Room, Omni Hotel, Charlottesville, VA

12:45-14:00    LUNCH  
The Atrium, Omni Hotel

14:00-14:30    COURSE OVERVIEW AND LOGISTICS  
James Monroe Room

**MODULE 1: WHY ECONOMIC GROWTH?**

*Objective:*    *To examine the role of economic growth in promoting USAID's development agenda.*

14:30-15:30    MINI CASE STUDY: Balancing Economic Growth Priorities

The participants will be presented with a country situation and be asked to balance economic growth issues with those in other areas such as democracy and governance and health. The participants will balance priorities and explore the linkages and the tradeoffs between activities within a mission portfolio.

15:30-15:45    BREAK

15:45-17:00    PRESENTATION/DISCUSSION: Why Economic Growth?

17:00-17:15    INTRODUCTION TO THE PRIMARY CASE STUDY

*Objectives:*    *To discuss the goals and logistics of the primary case study.*

Participants will be divided into five groups and assigned a country of one of the following stage of development:

- ✓ Emerging Market
- ✓ Less Developed Economy
- ✓ Transition (Command to Market) Economy



- ✓ Post Crisis Economy
- ✓ Non-cooperative Government

The participants will work within their assigned group throughout the week on their country. This will enable the participant to discuss the economic growth strategy of their country in context of the tools provided and knowledge gained from each module. The case study will encourage the participant to follow the flow of the training from macro policy strategy to micro enterprise development.

## **DAY 2: Monday, December 9**

### **MODULE 2: ECONOMIC POLICY**

*Objective: To: (a) promote an understanding of the economic framework of a country; (b) discuss key issues in economic policy.*

09:00-10:45      PRESENTATION: Economic Policy

- Why Do We Need to Understand and Use Macroeconomic Concepts and Data?
  - Measurements of economic output and growth
  - Prices and interest rates
  - Characteristics of the economy
  - Trade, current account, and payments balances
  - Poverty and income distribution
- How Do Key Policy Determinants Affect Macroeconomic Conditions?
  - Monetary policies
  - Fiscal policies
  - Foreign exchange policies
  - Trade and investment policies and their macroeconomic implications
- What Do You Do When Things Go Wrong?
  - Characteristics of a macroeconomic crisis
  - Warning signs prior to a crisis
  - Examples of shocks
  - Managing shocks and weathering crisis
  - Stabilizing tools
  - Social impacts
- What Do You Do to Stimulate Growth?
  - Sound macroeconomic policies
  - New development concepts

10:45-11:00 BREAK

11:00-12:30 EXERCISE: Macroeconomic Policy Responses

This case study exercise is designed to apply of some of the macroeconomic concepts and tools reviewed above. A set of macroeconomic indicators and a short description of domestic and external economic environment for an unnamed country will be provided. Participants, working in groups, will be assigned a macroeconomic policy question, each focusing on a different policy aspect (e.g., fiscal policy, foreign exchange regime, trade policy, poverty, threats of external shocks, etc.). Groups will take turns to present their analyses of their issue areas.

12:30-13:30 LUNCH (Preston Room I & II, Omni Hotel)

### **MODULE 3: LEGAL AND INSTITUTIONAL REFORM**

13:30-15:30 PRESENTATION: Framework for Analyzing Legal and Institutional Reform (LIR)  
(incl. break) Issues

*Objective: To support application of specific ideas from recent economic thinking to project design, implementation, and evaluation.*

- Conceptual Framework
  - What LIR means and why it is important: Why should EG officers care about "Legal and Institutional Reform"?
  - What is an "institution"?
  - What distinguishes "good" institutions from "bad" institutions?
- Real world examples
- Important LIR points to remember
  - Writing a law does not accomplish reform
  - Stakeholders matter
  - Questions to consider in designing a successful LIR project
  - Demand for LIR is important for it to succeed
  - Institutions have cultural roots (formal and informal institutions)
  - LIR should not be left to the lawyers

15:30-16:00 PRESENTATION: Recent Experiences in Implementing LIR Activities

The presenter will lead with a description of a recent comparative study done by USAID on assessing and implementing Commercial Legal and Institutional Reform (C-LIR) across the Europe and Eurasia region.

16:00-16:30 INTERACTIVE EXERCISE: An Application of LIR



- 16:30-17:00 DISCUSSION/QUESTION & ANSWERS
- 18:30-19:15 WELCOME RECEPTION  
The Atrium, Omni Hotel  
Cash Bar
- 19:15-21:45 DINNER AND KEYNOTE SPEAKER  
Preston Room I & II, Omni Hotel  
Keynote Speaker: Linda Likar, World Bank Institute  
Lead Economist, World Development Report 2003

**DAY 3: Tuesday, December 10**

**MODULE 4: FINANCIAL SECTOR**

*Objective: To (a) provide an integrated model for understand financial sector reform; (b) discuss lessons learned and promising new approaches in financial sector assistance; (c) provide specific additional information on pension reform.*

- 09:00-09:10 PRESENTATION: INTRODUCTION TO DAY THREE
- 09:10-11:30 PRESENTATION: INTEGRATED FINANCIAL SECTOR ASSISTANCE  
(incl break)
- Are financial sector projects still relevant to USAID?
  - What has been our approach to financial sector assistance?
  - Where have we succeeded; where have we failed?
  - What is an integrated approach?
  - Where do interventions in non-tradable debt fit in?
  - Where do interventions in tradable debt and equity fit in?
  - What are some recent promising integrated approaches?
- 11:30-12:15 PRESENTATION: Pension Reform
- 12:15-12:30 DISCUSSION/FEEDBACK/LESSONS LEARNED
- 12:30-13:30 LUNCH (Preston Room I & II)

**MODULE 5: PRIVATIZATION AND CORPORATE GOVERNANCE**

*Objective: To (a) provide an overview of the contribution of privatization and corporate governance reform to private sector development.*

13:30-17:00 (incl. break) PRESENTATION/DISCUSSION: Ownership Governance and Management Structures

- Ownership
  - Privatization objectives, programs, and experience
  - The Case of PPK
  - Infrastructure
- Governance
  - SFM Part 2: Corporate Governance and Restructuring
  - Ownership, governance and management structures
- The Role of USAID
  - Lessons Learned for Program and Project Designers

17:00-21:30 PRIMARY CASE STUDY WORKING GROUPS  
Three break-out rooms (Montpelier, Monticello, Wilson) are available between 5 pm and 9:30 pm

**DAY 4: Wednesday, December 11**

**MODULE 6: MICROENTERPRISE DEVELOPMENT**

*Objective: To (a) provide an introduction to microenterprise development; (b) discuss microfinance best practices; (c) provide an overview of business development services.*

9:00-10:00 PRESENTATION: Introduction to Microenterprise Development and Microfinance Overview

10:00-10:30 EXERCISE/CASE STUDY: Microfinance Case Study Introduction and Group Exercise

10:30-11:00 Case Study Report Out

11:00-11:15 BREAK

11:15-12:15 PRESENTATION/CASE STUDY: Business Development Services Presentation

12:15-12:30 PRESENTATION: Microenterprise Development Services to Missions and Wrap Up

12:30-13:30 LUNCH (Preston Room I & II)



## **MODULE 7: AGRICULTURAL DEVELOPMENT**

*Objective:* To provide an overview of agricultural development and its role in economic growth.

13:30-14:45 Case Study: Examining the Farm as an Enterprise

In this case participants will read and comment on a case describing investment in a French green bean farm in Africa. Participants will read a paper describing the elements of an investment made by a farmer and be asked to analyze whether or not they would make a similar investment. The emphasis will be on how they make the farm a financially and environmentally sustainable enterprise while responding to the pressures of global competitiveness. In the debrief and through the presentations participants will discuss a range of issues in the context of the case farm:

- The impact of the legal and institutional environment
- What government needs to do to support farmers
- Environmental considerations in sustainable agriculture
- Farm management
- The role of processors
- Technology transfer and extension services
- Access to and types of financing
- Social issues
- Link to microenterprise and microfinance.
- Domestic and Export Market- Changes in consumption patterns
- Comparative and Competitive Advantage
- Commercial Agriculture vs. Subsistence Agriculture
- Market incentives on quality
- Labor saving aspects of a upgraded package of technology
- Inspection Services for quality control
- Women's role in agriculture

14:45-15:00 PRESENTATION: A Framework for Understanding Investments in Agriculture

- Sequence for investing in subsectors
  - Policy reform
  - Technology development and diffusion
  - Rural infrastructure
  - Agricultural services
  - Land tenure
- Economic rates of return on investments
- Roles of the private and public sector in making and managing these investments
- Roles of NGOs in these investments

- The comparative advantage of different donors: USAID, other bilaterals, multilaterals

15:00-15:15 DISCUSSION: Relating the framework to field experience

15:15-15:30 BREAK

15:30-16:15 PRESENTATION: Agriculture, Economic Growth and Sustainable Poverty Reduction

16:15-17:00 DISCUSSION: How does USAID and G/EGAT/AFS fit within these models?

17:00-21:30 PRIMARY CASE STUDY WORKING GROUPS  
Three break-out rooms (Montpelier, Monticello, Wilson) are available between 5 pm and 9:30 pm

### **DAY 5: Thursday, December 12**

#### **MODULE 8: TRADE AND INVESTMENT**

*Objective: To (a) provide a basic understanding of trade and investment and its effects on economic growth; (b) discuss international trading frameworks and trade capacity building; (c) discuss USAID's trade and investment strategies.*

9:00-9:10 PRESENTATION: Introduction

- Why Bother with Trade?
- Link Between Trade and Growth
- Trade and Poverty Alleviation
- Objections to Trade Liberalization
- Trade Liberalization
- Today's Agenda

9:10-9:20 PRESENTATION: Basic Concepts in Trade Theory

- Mercantilism
- Absolute Advantage
- Comparative Advantage
- Other Trade Theories
- Krugman's Clarity
- Shifting Focus in Trade Theory

9:20-10:20 TRADE EXERCISE: Comparative Advantage and the Gains from Trade



*Participants will be assigned to a country, given inputs, and asked to choose what outputs they will develop without trade. They will then begin trading with other countries and will see whether trade benefits countries, and whether it benefits countries with different resource bases differently. Finally participants will be asked to repeat the process in an environment with tariffs to understand how tariffs may affect the gains from trade.*

10:20-10:30    BREAK

10:30-11:15    PRESENTATION: International Trading Frameworks

- WTO Basic Facts and Principles
- The Structure of the WTO
- Accession to the WTO
- The Negotiating Forum
- What Was Achieved at Doha
- Developing Countries and the WTO
- Perspectives of the LDCs
- Major Achievements of the WTO
- Reform Issues
- Some Conclusions on the WTO
- Regional Trade Arrangements
- Informal Regionalism

11:15-11:30    QUESTION AND ANSWERS/DISCUSSION

11:30-12:00    PRESENTATION: Trade Capacity Building

- Why Build Trade Capacity?
- What is Trade Capacity Building?
- Border, Behind the Border and Beyond the Border Issues
- Lessons and Trends—OECD DAC
- “Mainstreaming” Trade
- The Integrated Framework
- Example: Customs Modernization
- Example: Export Promotion Schemes
- Example: Investment Promotion
- Some Conclusions

12:00-12:15    QUESTION AND ANSWERS/DISCUSSION





12:15-12:30 DISCUSSION: Trade And Investment Strategies for USAID

*The presenter will facilitate a discussion on key themes in terms of USAID interventions in trade and investment and nominate discussants to ask questions and add their experiences.*

12:30-13:30 LUNCH (Atrium)

## **MODULE 9: ENTERPRISE DEVELOPMENT**

*Objective: To (a) provide an overview of enterprise development and competitiveness; (b) discuss the "enabling environment" for improving private enterprise development.*

13:30-14:30 PRESENTATION: Overview of Enterprise Development

14:30-14:45 BREAK

14:45-15:45 PRESENTATION: Competitiveness

- Firms as part of industries, national economies, and the world economy
- Competitive theory and industry clusters
- Creating the enabling business environment and the role of government

15:45-17:00 DISCUSSION/QUESTION AND ANSWERS

17:00-21:30 PRIMARY CASE STUDY WORKING GROUPS  
Three break-out rooms (Montpelier, Monticello, Wilson) are available between 5 pm and 9:30 pm

## **DAY 6: Friday, December 13**

09:00-11:45 PRIMARY CASE STUDY PRESENTATIONS:  
(with a short break included)

Each group will prepare a 15 minute presentation (with 15 minutes of Q&A). The purpose of the presentation will be to recommend an economic growth strategy and intermediate results. The participants should demonstrate their understanding of key concepts introduced in the course. The presentation should incorporate the knowledge of connectivity, cutting-edge concepts, and crosscutting concerns. The intended audience would consist of high level US officials in a particular country such as US Ambassador, USAID Mission Director and a Representative of the US Department of Treasury etc.

11:45-13:00 LUNCH



13:00-13:45     DISCUSSION: Linkages Between The Technical Arenas Of Economic Growth.

Flowing out of the case study discussion, instructors will identify key linkages between areas, and work with the group to identify elements of an integrated approach to prioritizing EG interventions across the diverse technical areas.

- The flow of strategy from a macro policy level to a micro enterprise level
- Highlighting the interdependence of various areas of economic growth strategy.
- Highlight crosscutting issues

13:45-14:15     CLOSING REMARKS AND WRAP UP